

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al.,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**AMBAC ASSURANCE CORPORATION'S STATEMENT IN SUPPORT OF
CONFIRMATION OF COMMONWEALTH PLAN OF ADJUSTMENT
AND RESERVATION OF RIGHTS**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

Ambac Assurance Corporation (“Ambac”), by and through its undersigned attorneys, pursuant to the *Amended Order Establishing Procedures and Deadlines Concerning Objections to Confirmation and Discovery in Connection Therewith*, dated October 5, 2021 [ECF No. 18394] (the “Confirmation Objections Procedures Order”) and the *Order Regarding Procedures for Hearing on Confirmation of Plan of Adjustment*, dated October 14, 2021 [ECF No. 18502] (the “Confirmation Hearing Procedures Order”), hereby submits this statement in support of the *Seventh Amended Title III Joint Plan of Adjustment for the Commonwealth of Puerto Rico, et al.*, [ECF No. 17627²] (the “Plan”) and reservation of rights, and respectfully states as follows:

STATEMENT IN SUPPORT

1. For decades, Ambac has been a committed partner to the Commonwealth, helping it reach its fiscal, structural, and operational goals. Ambac remains committed to seeing the Commonwealth return to economic viability. Throughout these Title III proceedings, Ambac has consistently made clear its position that the only viable path forward for the Commonwealth is an approach that achieves broad stakeholder consensus.

2. The Plan submitted to the Court for confirmation incorporates negotiated settlements resulting in support from virtually every major creditor group, retirees, and labor unions. Ambac has signed on to the GO/PBA Plan Support Agreement, the HTA/CCDA Plan Support Agreement and the PRIFA Plan Support Agreement. Together, these settlements reflect the broad and sustainable resolution that Ambac has consistently asserted is necessary to position the Commonwealth for future success. These settlements have the added benefit of resolving claims relating to revenue bond debt issued by the Commonwealth’s instrumentalities, including

² Docket references are to documents filed in Case No. 17-BK-3283-LTS. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Plan.

PBA, HTA, CCDA, and PRIFA. The qualifying modifications proposed for PRIFA and CCDA in their respective Title VI proceedings similarly enjoy broad creditor support, and Ambac is eager to see those considered by the Court concurrent with the Plan.

3. For these reasons, Ambac is pleased to support confirmation of the Plan.

RESERVATION OF RIGHTS

4. Pursuant to the Confirmation Objections Procedures Order, objections by Eligible Creditors (as defined in the Confirmation Objections Procedures Order) to confirmation of the Plan are due on October 19, 2021 and replies in support of the confirmation of the Plan are due on October 27, 2021. *Id.* ¶ 3.

5. To the extent that any response to filed objections is necessary, Ambac will file such response no later than October 27, 2021, which is the deadline for the Debtors to file replies in support of confirmation of the Plan.

6. Ambac hereby reserves all of its rights with respect to the Plan, including its rights to be heard at the confirmation hearing with respect to any issue relevant to the confirmation of the Plan.

7. In addition, as the Oversight Board acknowledged in the *Notice of Submission of Plan Supplement and Plan Related Documents by the Commonwealth of Puerto Rico, et al.* [ECF No. 18470] filed on October 11, 2021 (the “Plan Supplement”), certain “Plan Related Documents remain subject to negotiations with parties in interest,” with such documents including, among others, the New GO Bond Trust Agreement, the CVI Trust Agreement, and legislation authorizing the issuance of the new bonds and CVIs (all as defined in the Plan Supplement). Ambac reserves all of its rights to be heard with respect to such matters.

Dated: October 19, 2021
San Juan, Puerto Rico

FERRAIUOLI LLC

By: /s/ Roberto Cámara-Fuertes
Roberto Cámara-Fuertes (USDC-PR No. 219002)
Sonia Colón (USDC-PR No. 213809)
221 Ponce de León Avenue, 5th Floor
San Juan, PR 00917
Telephone: (787) 766-7000
Facsimile: (787) 766-7001
Email: rcamara@ferraiuoli.com
scolon@ferraiuoli.com

MILBANK LLP

By: /s/ Atara Miller
Dennis F. Dunne (admitted *pro hac vice*)
Atara Miller (admitted *pro hac vice*)
Grant R. Mainland (admitted *pro hac vice*)
John J. Hughes, III (admitted *pro hac vice*)
Jonathan Ohring (admitted *pro hac vice*)
55 Hudson Yards
New York, NY 10001
Telephone: (212) 530-5000
Facsimile: (212) 530-5219
Email: ddunne@milbank.com
amiller@milbank.com
gmainland@milbank.com
jhughes2@milbank.com
johring@milbank.com

Attorneys for Ambac Assurance Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

/s/ Roberto Cámara-Fuertes

Roberto Cámara-Fuertes (USDC-PR No. 219002)

221 Ponce de León Avenue, 5th Floor

San Juan, PR 00917

Telephone: (787) 766-7000

Facsimile: (787) 766-7001

Email: rcamara@ferraiuoli.com